

# PAYCHECK PROTECTION PROGRAM SECOND-DRAW FACT SHEET

## FEDERAL RELIEF PROGRAMS - INFO SERIES

### WHAT IS IT?



The Paycheck Protection Program (PPP) provides forgivable loans to help eligible businesses and nonprofits keep their workforce employed during the COVID-19 crisis. Those who have applied for funds previously may be eligible for a Second-Draw loan.

### WHAT DO I NEED TO KNOW?



- **ADDITIONAL ELIGIBILITY:** Aside from meeting eligibility requirements for a first-draw, the employee-count is limited to 300 employees. Borrowers must also be able to demonstrate a 25%+ decline in gross receipts. You must have spent (or be on-track to spend) all funds from your First-Draw before applying for Second-Draw.
- **AMOUNT AVAILABLE:** 2.5x average monthly eligible payroll costs up to \$2 M. If you are a business in the Accommodations & Food Services industry (NAICS 72), you qualify for a 3.5x multiplier instead of the 2.5.
- **TERMS & USES, & FORGIVENESS:** Same as for First-Draw applicants. View the First-Draw Fact Sheet here.

### HOW DO I PREPARE TO APPLY?



- The documents you may be required to present will vary based on your legal entity type (self-employed, LLC, S-Corp, C-Corp, nonprofit, etc.).
- If you apply for Second-Draw using the same lender you used for First-Draw, and your loan is under \$150,000, you will not have to present any additional documents for Second-Draw as long as you use the same numbers as for First-Draw (2019).
- All will be asked for tax returns for either 2019 or 2020 (you can choose), and 941's if you have employees.
- For loans over \$150,000 you will be required to present documents backing-up your 25%+ decline in gross receipts based on either tax documents or internal financials. For loans under \$150,000 you may opt to submit these documents when applying for forgiveness.
- You may preview the application forms here, but please note you still will go through a lender to apply:
  - [Paycheck Protection Program Second Draw Borrower Application Form](#) (updated 03-18-21)
  - [Paycheck Protection Program Second Draw Borrower Application Form for Schedule Filers Using Gross Income](#) (published 03-18-21)

### WHERE DO I APPLY?



You may use the same lender you used for your First-Draw. If you prefer a different lender, you can use the [SBA's Lender Match Tool](#) to find an approved SBA lender near you.

We have also compiled a list of SBA approved alternative lenders you may want to review: [PPP Lenders](#)

### WHEN & HOW DO I PAY IT BACK?



As with the First-Draw, you have anywhere between 8-24 weeks to spend the funds after disbursement. At anytime, even before the end of your covered period you may apply for forgiveness. You must apply within 10 months of the end of your covered period. You will be required to show how you spent the funds, and based on this and how well you were able to follow the guidelines, the SBA will determine the amount of forgiveness which may be up to 100% of your loan. You must apply for first & second-draw forgiveness separately. If your loan is not forgiven either partially or in full, you will make monthly payments to the lender.